



WE KNOW WHAT TO DO. THEN WHAT IS THE PROBLEM?

Deepal Sooriyaarachchi

Director Sampath Bank, Commissioner Sri Lanka Inventors Commission.

With the embracing of the open economic policy in 1977 many businesses private and public, that thrived under the previous economic system faced challenges that they were not used to. Some managed to come out successfully, at the same time many of the leading businesses during that time just could not survive. They died a natural death.

We now face a similar challenging period unfolding in front of us already. The armed conflict has come to an end, and with that the desire to forge ahead - the only direction we can go as a country. There is a lot of catching up to be done in terms of infrastructure development, capacity building at institutional and human resource level.

The country has now moved in to a middle income stage thus losing the donor funding and the access to low cost fund a condition we were used as a country since independence. Hence some of the traditional subsidies will not be easy. In order to survive in this new era we need to significantly enhance our competitiveness since we cannot afford to compete only on the attractiveness of factors such as labour. We will have to enter into very quickly high value added sectors with greater economic productivity. This has to happen in a not so buoyant global economic condition. Exacerbating these challenges there are geo political pressures on one side. At the same time there is a continuous advances in Technology spheres making the higher value adding industries less affordable to us. We might have to find very exclusive niche market segments and work on those in this context. While we see unemployment numbers reducing there is a dearth of talent in many quarters from the lowest level to the most senior levels. The list of challenges are much more. But I wanted to highlight just a few as a precursor to the points I will be discussing in this paper.

With so much of changes taking place it is obvious that we as business organizations as well as the government got to change. Whether it is in the face of such mega challenges or in our day to day business challenges what need to be done is mostly known. But the question in most instances is DO WE DO what we KNOW that should be done? Not only in Business set up but even in personal situations isn't this a big problem?. We know what has to be done but somehow we end up not DOING what needs to be DONE. This is one of the most crucial business issues we need to address especially when it is so clear that our survival depends on making some drastic changes in our organization.



In order to appreciate the related issues please reflect on the following questions.

1. What percent of people reach their target weight among Weight Watchers?
2. What percent of people maintain their target weight forever?
3. What percent of people stop smoking and never start again?
4. What percent of people who smoke stop after a major physical crisis (e.g., heart attack)?
5. What percent of change efforts (TQM, Reengineering, etc.) are judged “successful”?

Before turning to the end of the article to find answers I am sure you guessed it. The source of this research is not known but it sounds logical.¹

This question of Knowing Doing Gap had been explored by ²Jeffrey Pfeffer and Robert I Sutton, of Stanford Business School, and well documented in their book “ The Knowing Doing Gap” How Smart Companies Turn Knowledge in to Action. To illustrate the point authors relate to a very interesting incident.

*“Each year, billions of dollars are spent on management consultants by organizations seeking advice. One consultant, making a presentation to obtain work from a large US bank, showed an overhead slide that had the recommendations from four previous consulting studies conducted in just the prior six years for that bank. All four studies had come to the same conclusions, which is not surprising given that smart people from four different firms looked at essentially the same data. The presenter, selling implementation and change rather than analytical services, asked the assembled executives , ‘**why do you want to pay for the same answer a fifth time?He and his firm got the job**”.*

I am sure we too can find enough such examples from our own organizations.

Even in this publication you read there will be many good ideas, if implemented your organization will certainly benefit. But the doubt is whether those will get implemented if not in the same manner, but even in a modified or adjusted manner.

In order to see the significance of knowing doing gap the authors Jeff and Robert did some extensive research in the restaurant industry. Though the findings are from a different industry the lessons seems to be universal.



Differences Between Knowing and Doing in 120 Units of a Restaurant Chain

Statement	We know We should Do This	We are Doing This
Getting Good Ideas from other units in the chain	4.9	4.0
Instituting an active suggestion program	4.8	3.9
Using a detailed assessment process for hiring new employees	5.0	4.2
Posting all jobs internally	4.2	3.5
Talking openly about learning from mistakes	4.9	4.3
Providing employees with frequent feed back	5.7	5.2
Sharing information about your restaurant's financial performance with everyone	4.3	3.8

Note: Responses are rated on a six point scale on which 1 equals "Strongly Disagree" and 6 equals "Strongly Agree". All differences significantly at less than .001 level of probability.

In their work they identify a number of broad reasons or causes as to why organizations really don't do what they know.

1. When Talk Substitutes for Action

In such organization the moment a decision is made they think it will be done, rather than coming up with a clear implementation plan they tend to stop at the decision making level. These organizations will have many discussions and presentations and general public agreements, but hardly any accountability backed action programmes.

2. When Memory is a Substitution for Thinking

Organisations that fail to implement performance knowledge often behave as if the present were a perfect imitation of the past. And, although executives in such organizations may deny it, the ways that people are hired, socialized, promoted, and rewarded means that when new comers join the firm, they soon act like imitations of those who came before them. People in organizations that use memory as a substitute for thinking often do what has always been done without reflecting. Even when they realize that a new problem confronts the organization, problem solving means finding practices from the organization's past that seem right for solving the present problem. The Organisation's memory, embodied in precedents, customs of often unknown origin, stories about how things have always been and used to be, and standard operating procedures, becomes used as a substitute for taking wise action.

3. When Fear Prevents Acting on Knowledge

In many organizations that fail to translate knowledge in to action there is generally a pervasive atmosphere of fear and distrust. The quality Guru W E Deming had insisted that if an



organization need to succeed it should drive out fear. Unfortunately there is some skepticism that fear and its first cousin, distrust, remain pervasive problems in today's supposedly enlightened workplaces.

4. When Measurement Obstructs Good Judgment

Measures and the measurement process, especially badly designed or unnecessarily complex measurement systems are among the biggest barriers to turning knowledge into action. While proper and smart measurement matrices drives right behaviour in appropriate measurements can drive meaningless or even counterproductive behaviour.

5. When Internal Competition Turns friend in to Enemies

Mostly influenced by the highly individualistic American Society value systems organizations blindly promote individual performance without an appropriate balance of team or cross organizational collaborative behaviour. According to Jeff and Robert they have observed that Internal Competition is Most Likely to be Prevalent and Harmful when

- People have incentives to avoid helping others or even to undermine their work
- Leaders act as if performance comes from the sum of individual actions rather than interdependent behaviours like cooperation, knowledge sharing, and mutual assistance.
- Management acts as if people in the firm are competing in a "race" or "game" in which the competitors are within the firm and there only a few winners and many losers.
- The way what work is managed distracts people from the task at hand because they feel they are under scrutiny, are constantly being compared to others, and are focused on what internal rivals in the company are doing
- Comparative or relative, rather than absolute, evaluations are emphasized
- Leaders are selected because they value competition and have a history of dominating peers in zero sum contests
- Little attention is paid to power expectations and the self fulfilling prophecy, so people are labeled as "losers" or as being part of a bad unit and feel a lack of self-worth and resentment toward the firm.

Exploring what prevents organizational change the Authors of the Leadership Code³ have come up with what they call Organisation Viruses.

1. Over inform

We tell everyone even before we have a meeting. We make sure everyone has been informed, then have a meeting that only slows things down.

2. Have it my way

We don't learn from each other, we suffer from not invented here syndrome



- 3. Saturday Morning quarter back**
We criticize things, even before they happen
- 4. False positive**
We do “nice- talk” (specially in public); we are overly kind even if we disagree. This leads to false positive.
- 5. Concealed consensus**
We confuse participation with consensus. We think that everyone has to agree before we act, so people say they agree when they don’t.
- 6. Forwarded to our past: Look in the rear view mirror**
We are so afraid of losing our heritage that we don’t change our culture; we are locked in to our habits.
- 7. Caste: Value by grade**
We judge people by their title and rank rather than performance or competence
- 8. Turfism: My business versus “our” business**
We defend our turf, sometimes to the detriment of the overall organization
- 9. Command and Control**
We like to make sure that senior managers run the company and delegate responsibility up; this keeps us from feeling a personal obligation to change
- 10. Hard on the people instead of the problem**
We attack a colleague personally, rather than attacking a problem.

These observations and concepts shed some light on to the reasons as to why companies flail to implement what they know should be done.

In their writings Jeff and Robert suggests few possible steps that can be taken by companies to overcome this deficiency. In describing the eight guide lines for action they state;

“ As we noted at the outset, there are no simple analyses or easy answers for the knowing doing problem. The Problem is not just costs, or leadership, or some single organisations practice that can be changed to remedy the problem. The knowing doing gap arises from a constellation of factors and it is essential that organizational leaders understand them all an how they interrelate. Nonetheless, there are some recurrent themes that helps us understand the source if the problem and, by extension some ways of addressing it.



1. Why before how: Philosophy is important.
2. Knowing comes from Doing and Teaching others how
3. Action counts more than elegant plans and concepts
4. There is no doing without mistakes, what is the company's response?
5. Fear fosters knowing doing gaps, so drive out fear
6. Beware of False Analogies: Fight the competition not each other
7. Measure what matters and what can help Turn Knowledge in to Action.
8. What leaders do, how they spend their time and how they allocate resources Matters.

While these suggestions seem to address some aspects of the issue I feel that theirs is a much more fundamental issue that contributes to this resistance to change coming from our own human conditioning. After all it is the individuals who make organisations. Hence these individuals naturally bring in the individual tendencies in to the functioning of the enterprise. In this context I wish to propose that five hindrances; conditions all humans have according to the teachings of Buddhism seem to explain why we do not do what we need to do even though we know them. These five hindrances can be presented in the following simplified form⁴.

R= **Restlessness and remorse** - meaning lack of focus, inability to stay on course and being worried about what was done or not done in the past.

A= **Aversion**- fighting and avoiding situations that I do not like

P= **Procrastination** - postponing things to be done later

I= **Indulgence** – giving into the demands to satisfy senses forgetting the task at hand

D= **Doubt**-lack of self confidence, not having a clear idea of the path to be followed.

Let us now examine how these natural tendencies come in to play in the organizational settings as well.

Restlessness- This is a mental state that make a person worry about what was done (wrong) or not done and what has to be done. As a result it becomes very difficult to focus on doing what is in hand and that has to be done here and now. When such a mental state present the manager will not make a decision and move forward. She will not be able to stay on the identified course of action. It is this mentality that prevents a person taking a decision and moving forward.



Aversion- The general dislike prevents one focusing on tasks that are difficult, unpleasant at one end and on the other end the dislike towards persons or groups of persons within the company prevents taking certain steps or take such steps that harms the person or the group that one doesn't like. This is the root cause of working against individuals without thinking of the company. Eventually it is the organization that suffers.

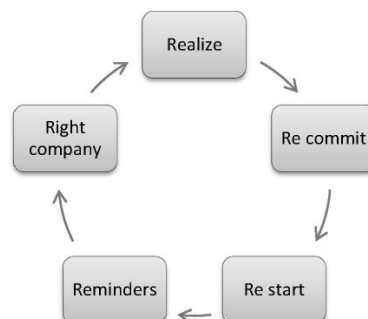
Procrastination- This is the habit of delaying actions to a later date or time when they are due now. Without the knowledge of the person even this type of behaviour can happen easily. This is not only psychological but physical as well, that is why it is called sloth and toper. This tendency of postponing can be habit forming. Once it becomes a habit it is very easy to postpone things that have to be done now. Similarly the important but not urgent tasks remain not done mainly because of this mental state. When this is in operation the reasons one gives to oneself can sound so logical and reasonable. When this type of thoughts are predominant a person will see many reasons why something can be done later.

Indulgence- We indulge in activities that are pleasant, gives us satisfaction. This attachment to things that we like, prevents us some times making tough decisions. This can manifest as extremely emotional relationships with individuals. Because of such relationships eventually the organization suffers. On another instance the desire to keep a pet project even though it doesn't make business sense happens because of this mental state. At an individual level these indulging behaviours can compromise the independence of Leaders and Managers hence they are not able to implement the right decision though they know what really has to be done.

Doubt- The fear to fail, and uncertainty are feelings that arise because of this hindrance. In every change activity there is a risk and it is this feeling of doubt that many a times prevent the leaders/managers taking decision and action.

Though these are operative at individual levels when those individuals become leaders in organization it is inevitable that their behaviour becomes limiting factors affecting the whole organization.

In order to overcome these hindrances following steps can be followed.





Since these mental states first occur at individual level it is important that the manager or the leader realizes as to what hindrance or hindrances are in operation at the moment. After realizing one needs to reflect the importance of doing what has to be done and the possible negative consequences if not done. This way one can commit to the planned action programme. Thereafter by setting an exact Date and a Time and the specific single action that has to be done at that time one can start the process. It is a very good strategy to set up reminders by way of regular follow up sessions and constant communications of *why, what* and *how* of actions to all the stakeholders as well as to constantly be reminded of them by the manager herself as well. What is meant by right company is the right association. In other words allowing another person's actions and thoughts to positively influence oneself. Constantly comparing with best in class actions, competition, learning from other industries falls within this definition.

The heart of this whole virtuous cycle is becoming aware of the mental state one is currently in. This ability to become aware is a skill that can be developed by constant practice like any other skill, except this is a mental capability.⁵

CONCLUSION

We as a nation are facing a very interesting and a challenging time. To succeed in this new era all organizations have to embrace change and do things differently. It is not the lack of knowledge of what to do that is the biggest challenge but organizations' inability to do them. While there are many organization wide reasons that prevent Doing, there can be very strong personal biases or orientations as well that prevent managers making decisions and taking actions. While focusing on organization wide strategies taking right steps to overcome inherent hindrances too will be important in leading our organizations to change.

¹ 1-5%, 2-1%, 3-17%, 4-43%, 5-25~30%

² The Knowing Doing Gap, Pfeffer, J, Sutton, R.I., Harvard Business School Press, 1999

³ The Leadership Code, Ulrich D, Smallwood, N. Sweetman K, Harvard Business Press, 2008

⁴ Inward Bound- Mindfulness as an Executive Capability- Soori D, Olympia Publishers UK 2012

⁵ www.mindfulexecutive.net